

**DONELAN, CLEARY, WOOD & MASER, P.C.**

ATTORNEYS AND COUNSELORS AT LAW

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WASHINGTON, D.C. 20005-3934

OFFICE: (202) 371-9500

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August 26, 1997

RECORDATION NO. 70 FILED

New Recordation No.

AUG 26 '97

11-05AM

Dear Mr. Williams:

On behalf of LaSalle National Bank, I submit for filing and recording under 49 U.S.C. § 11301(a) and the regulations applicable thereunder, executed counterparts of a primary document, not previously recorded, entitled Memorandum of Loan and Security Agreement ("Agreement"), made as of August 15, 1997.

The parties to the enclosed Agreement are:

**LaSalle National Bank,  
A National Banking Association  
135 South LaSalle Street  
Chicago, IL 60602**

-LENDER (for INDEXING, Mortgagee, white pages)

St. Lawrence & Atlantic Railroad )  
Company )

Emons Transportation Group, Inc.)

**Emons Finance Corp.**

# Maryland and Pennsylvania Railroad Company

# Maine Intermodel Transportation Company

**-BORROWERS (for INDEXING, Mortgagors , yellow pages, indexing each name separately)**

Emons Logistics Services, Inc.

Emons Railroad Group, Inc.

Emons Industries, Inc.

Yorkrail, Inc.

All Borrowers with office at:  
96 South George Street  
York, PA 17401-1436

RECEIVED  
TRANSPORTATION  
SURFACE BOARD

15-26-05

**DONELAN, CLEARY, WOOD & MASER, P.C.**

Honorable Vernon A. Williams  
August 15, 1997  
Page 2

PLEASE INDEX the name of EACH BORROWER SEPARATELY under its own name (yellow pages) with reference to this filing, i.e. "See Recordation No. 20835."

The said Agreement, among other things, acts to create a security interest by the Borrowers to the Lender in ALL LOCOMOTIVES AND ROLLING STOCK NOW OWNED OR HEREAFTER ACQUIRED and all now existing and hereafter acquired interest of Borrowers in locomotives and rolling stock.

A short summary of the Agreement to appear in the Surface Transportation Board Index is as follows:

"ALL LOCOMOTIVES AND ROLLING STOCK NOW OWNED OR  
HEREAFTER ACQUIRED and all now existing and hereafter acquired interest in  
locomotives and rolling stock."

Enclosed is a check in the amount of twenty-four dollars (\$24.00) in payment of the filing fee.

Once the filing has been made, please return to bearer the stamped counterpart(s) of the document not required for filing purposes, together with the letter/fee receipt from the Surface Transportation Board acknowledging the filing, and the two extra copies of this letter of transmittal.

Very truly yours,



Allen H. Harrison, Jr.  
Attorney for LaSalle National Bank  
for the purpose of this filing.

Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

*Enclosures*

BY HAND

8398-020

AUG 26 '97

11-05 AM

MEMORANDUM OF LOAN AND SECURITY AGREEMENT

This MEMORANDUM OF LOAN AND SECURITY AGREEMENT, dated as of August 15, 1997, is made by St. Lawrence & Atlantic Railroad Company, Emons Transportation Group, Inc., Emons Finance Corp., Maryland and Pennsylvania Railroad Company, Maine Intermodal Transportation, Inc., Emons Logistics Services, Inc., Emons Railroad Group, Inc., Emons Industries, Inc. and Yorkrail, Inc., (the "Borrowers") each with an address at 96 South George Street, York, PA 17401-1436, and LaSalle National Bank, a national banking association (the "Lender"), with an address at 135 South LaSalle Street, Chicago, IL 60603, hereinafter together referred to as "Parties."

WHEREAS, the Borrowers, have entered into that certain Loan and Security Agreement with the Lender, dated as of August 15, 1997 (as it may be amended from time to time, the "Security Agreement"); and

WHEREAS, among the collateral pledged by the Borrowers to the Lender are all locomotives and rolling stock NOW OWNED OR HEREAFTER ACQUIRED by the Borrowers and all now existing and hereafter acquired interest of the Borrowers in locomotives and rolling stock; and

WHEREAS, attached hereto and made a part hereof are those certain Schedules 4.9 and 6.9 from the aforesaid Security Agreement listing all locomotives and rolling stock now owned by, the Borrowers and all units of rolling stock now leased to the Borrowers.

IN WITNESS WHEREOF, the Parties hereto have caused this Memorandum of Loan and Security Agreement to be executed by their duly authorized officers as of the date herein first set forth above.

ST. LAWRENCE & ATLANTIC RAILROAD  
COMPANY

By: Arthur Grossman  
Title: Chairman

EMONS TRANSPORTATION GROUP, INC.

By: Arthur Grossman  
Title: Chairman

EMONS FINANCE CORP.

By: Greg S. Weaver  
Title: President

MARYLAND AND PENNSYLVANIA RAILROAD  
COMPANY

By: \_\_\_\_\_  
Title: \_\_\_\_\_

MAINE INTERMODAL TRANSPORTATION,  
INC.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

EMONS LOGISTICS SERVICES, INC.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

EMONS RAILROAD GROUP, INC.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

EMONS INDUSTRIES, INC.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

EMONS FINANCE CORP.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

MARYLAND AND PENNSYLVANIA RAILROAD  
COMPANY

By: Robert Grossman  
Title: Chairman

MAINE INTERMODAL TRANSPORTATION,  
INC.

By: Robert Grossman  
Title: Chairman

EMONS LOGISTICS SERVICES, INC.

By: Robert Grossman  
Title: Chairman

EMONS RAILROAD GROUP, INC.

By: Robert Grossman  
Title: Chairman

EMONS INDUSTRIES, INC.

By: Robert Grossman  
Title: Chairman & President

YORKRAIL, INC.

By: *R. J. Gossman*  
Title: *Chairman*

LASALLE NATIONAL BANK

By: \_\_\_\_\_  
Title: \_\_\_\_\_

YORKRAIL, INC.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

LASALLE NATIONAL BANK

By: Chris A. Maurer  
Title: Vice President

COMMONWEALTH OF PENNSYLVANIA )  
 ) ss:  
COUNTY OF YORK )

On this 12<sup>th</sup> day of August, 1997. before me personally appeared Robert Grossman, to me personally known, who by me duly sworn, says that ~~he/she~~ is the Chairman of St. Lawrence & Atlantic Railroad Company ("SLR"), that the foregoing Memorandum of Loan and Security Agreement was signed on behalf of SLR and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of SLR.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Tammy Lynn Slagle  
Notary Public

[SEAL]  
My commission expires: Sept. 2, 2000

Notarial Seal  
Tammy Lynn Slagle, Notary Public  
York, York County  
My Commission Expires Sept. 2, 2000  
Member, Pennsylvania Association of Notaries



COMMONWEALTH OF PENNSYLVANIA )  
COUNTY OF YORK ) ss:

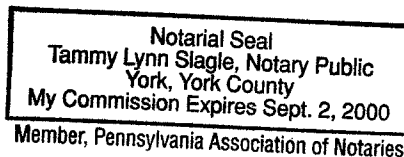
On this 12<sup>th</sup> day of August, 1997. before me personally appeared Robert Glassman, to me personally known, who by me duly sworn, says that ~~he/she~~ is the Chairman of Emons Transportation Group, Inc. ("Emons"), that the foregoing Memorandum of Loan and Security Agreement was signed on behalf of Emons and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of Emons.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Tammy Lynn Slagle  
Notary Public

[SEAL]

My commission expires: Sept 2, 2000



COMMONWEALTH OF PENNSYLVANIA )  
COUNTY OF New Castle ) ss:

On this 14 day of August, 1997. before me personally appeared Amy S. Weaver, to me personally known, who by me duly sworn, says that he/she is the President of Emons Finance Corp. ("Finance"), that the foregoing Memorandum of Loan and Security Agreement was signed on behalf of Finance and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of Finance.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

  
\_\_\_\_\_  
Notary Public

[SEAL]  
My commission expires: 5-3-2001

COMMONWEALTH OF PENNSYLVANIA )  
 ) SS:  
COUNTY OF YORK )

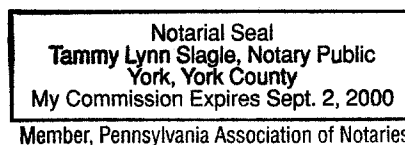
On this 12<sup>th</sup> day of August, 1997. before me personally appeared Robert Grassman, to me personally known, who by me duly sworn, says that (he)~~she~~ is the Chairman of Maryland and Pennsylvania Railroad Company ("MPA"), that the foregoing Memorandum of Loan and Security Agreement was signed on behalf of MPA and (he)~~she~~ acknowledged that the execution of the foregoing instrument was the free act and deed of MPA.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Tammy Lynn Slagle  
Notary Public

[SEAL]

My commission expires: Sept. 2, 2000



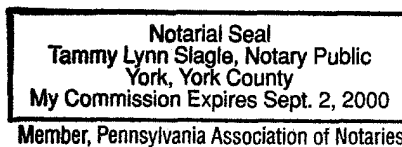
COMMONWEALTH OF PENNSYLVANIA )  
COUNTY OF YORK ) ss:

On this 12<sup>th</sup> day of August, 1997. before me personally appeared Robert Grossman, to me personally known, who by me duly sworn, says that ~~he/she~~ is the Chairman of Maine Intermodal Transportation, Inc. ("MIT"), that the foregoing Memorandum of Loan and Security Agreement was signed on behalf of MIT and ~~he/she~~ acknowledged that the execution of the foregoing instrument was the free act and deed of MIT.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Tammy Lynn Slagle  
Notary Public

[SEAL]  
My commission expires: Sept. 2, 2000



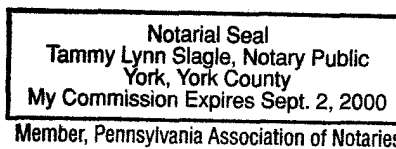
COMMONWEALTH OF PENNSYLVANIA )  
 ) ss:  
COUNTY OF York )

On this 12<sup>th</sup> day of August, 1997. before me personally appeared Robert Grossman, to me personally known, who by me duly sworn, says that ~~he~~ she is the Chairman of Emons Logistics Services, Inc. ("Logistics"), that the foregoing Memorandum of Loan and Security Agreement was signed on behalf of Logistics and ~~he~~ she acknowledged that the execution of the foregoing instrument was the free act and deed of Logistics.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Tammy Lynn Slagle  
Notary Public

[SEAL]  
My commission expires: Sept. 2, 2000



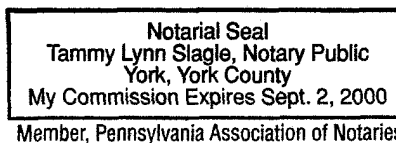
COMMONWEALTH OF PENNSYLVANIA )  
 )  
COUNTY OF YORK ) SS:

On this 12<sup>th</sup> day of August, 1997. before me personally appeared Robert Grossman, to me personally known, who by me duly sworn, says that ~~he~~ she is the Chairman of Emons Railroad Group, Inc. ("Railroad Group"), that the foregoing Memorandum of Loan and Security Agreement was signed on behalf of Railroad Group and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of Railroad Group.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Tammy Lynn Slagle  
Notary Public

[SEAL]  
My commission expires: Sept. 2, 2000



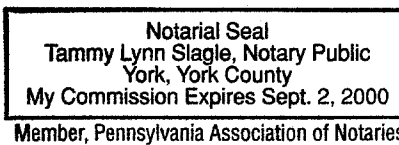
COMMONWEALTH OF PENNSYLVANIA )  
COUNTY OF York ) ss:

On this 12<sup>th</sup> day of August, 1997. before me personally appeared Robert Grossman, to me personally known, who by me duly sworn, says that ~~he~~ she is the Chairman & President of Emons Industries, Inc. ("Industries"), that the foregoing Memorandum of Loan and Security Agreement was signed on behalf of Industries and ~~he~~ she acknowledged that the execution of the foregoing instrument was the free act and deed of Industries.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Tammy Lynn Slagle  
Notary Public

[SEAL]  
My commission expires: Sept. 2, 2000



COMMONWEALTH OF PENNSYLVANIA )  
COUNTY OF York ) ss:

On this 12<sup>th</sup> day of August, 1997. before me personally appeared Robert Grasman, to me personally known, who by me duly sworn, says that ~~he~~ she is the Chairman of Yorkrail, Inc. ("Yorkrail"), that the foregoing Memorandum of Loan and Security Agreement was signed on behalf of Yorkrail and ~~he~~ she acknowledged that the execution of the foregoing instrument was the free act and deed of Yorkrail.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Tammy Lynn Slagle  
Notary Public

[SEAL]  
My commission expires: Sept. 2, 2000

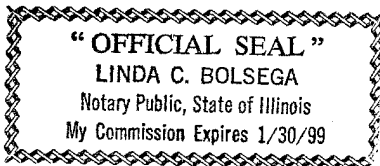
Notarial Seal  
Tammy Lynn Slagle, Notary Public  
York, York County  
My Commission Expires Sept. 2, 2000  
Member, Pennsylvania Association of Notaries



STATE OF ILLINOIS     )  
                                      )   ss:  
COUNTY OF COOK        )

On this 15th day of August, 1997. before me personally appeared Terri A. Maurer, to me personally known, who by me duly sworn, says that he/she is the Vice President of LaSalle National Bank, that the foregoing Memorandum of Loan and Security Agreement was signed on behalf of LaSalle National Bank and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Bank.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Linda C. Bolsega  
Notary Public

[SEAL]  
My commission expires: 1-30-99

**SCHEDULE 4.9****LIST OF ROLLING STOCK**

<b>LOCOMOTIVE/RAILCAR</b>		<b>CURRENT OWNER</b>	<b>CURRENT ID</b>
1.	EMD GP-16 Ser. No. 5499-B	Yorkrail Inc. ("YKR")	1600
2.	EMD GP-16 Ser. No. 5499-A	YKR	1734
3.	EMD GP-16 Ser. No. 5499-21	YKR	1735
4.	EMD GP-16 No. 5125-14	YKR	1602
5.	EMD GP9	YKR	1750
6.	EMD GP9	YKR	1752
7.	EMD GP9	YKR	1754
8.	EMD GP9	YKR	1756
9.	EMD GP9	St. Lawrence & Atlantic Railroad Company ("SLR")	60
10.	EMD GP9	SLR	64
11.	EMD GP9	SLR	58
12.	EMD GP9	SLR	62
13.	EMD GP9	SLR	68
14.	EMD SW9	Maryland and Pennsylvania Railroad Company ("MPA")	82
15.	EMD SW9	MPA	84
16.	EMD CF7	MPA	1500
17.	EMD CF7	MPA	1502
18.	EMD CF7	MPA	1504
19.	EMD CF7	MPA	1506
20.	50' Boxcar	MPA	127

LOCOMOTIVE/RAILCAR	CURRENT OWNER	CURRENT ID
21. 50' Boxcar	MPA	300
22. 50' Boxcar	MPA	301
23. 70 ton Coal Car	SLR	SLRX1
24. 70 ton Coal Car	SLR	SLRX2
25. 70 ton Coal Car	SLR	SLRX3
26. 70 ton Rock Car	SLR	SLRX4
27. 70 ton Rock Car	SLR	SLRX5
28. 70 ton Rock Car	SLR	SLRX6
29. 40' Flat Car	SLR	SLRX7
30. 40' Flat Car	SLR	SLRX8
31. 100 ton Gondola Car	SLR	SLRX9
32. 70 ton Gondola Car	SLR	SLRX10

## SCHEDULE 6.9

### Leased Rolling Stock

Description	Lessor	Quantity	ID No.	Lessee
Locomotive	GATX	1	GSCX3702	SLR
Locomotive	GATX	1	GSCX3717	SLR
Locomotive	GATX	1	GSCX3733	SLR
Locomotive	Locomotive Leasing Partners	1	LLPX3000	SLR
Tank	GATX	1	GATX010167	YKR
Tank	GATX	1	GATX027446	YKR
Tank	GATX	1	GATX094907	YKR
Ballast	Chicago Freight	1	CRDX900000	YKR, MPA
Ballast	Chicago Freight	1	CRDX900001	YKR, MPA
Ballast	Chicago Freight	1	CRDX900002	YKR, MPA
Ballast	Chicago Freight	1	CRDX900083	SLR
Ballast	Chicago Freight	1	CRDX900084	SLR
Ballast	Chicago Freight	1	CRDX900085	SLR
Ballast	Chicago Freight	1	CRDX900086	SLR
Ballast	Chicago Freight	1	CRDX900087	SLR
Ballast	Chicago Freight	1	CRDX900088	SLR
Ballast	Chicago Freight	1	CRDX900089	SLR
Covered Hopper	GE	6	YKR101-106	YKR
Gondolas	GE	5	YKR10009-10013	YKR
Box Plate C	GE	20	YKR5000-5019	YKR
Box Plate B	GE	18	YKR6000-6018	YKR
Box Plate C	GE	12	YKR5020-5031	YKR

Description	Lessor	Quantity	ID No.	Lessee
Gondolas	GE	9	YKR10000-10008	YKR
Box Plate C	GE	40	YKR5032-5071	YKR
Box Plate C	GE	50	YKR6100-6149	YKR
Box Plate C	GE	30	YKR5000 series	UP (sublease)
Box Plate C	GE	65	SLR101-165	SLR
Box Plate C	GE	25	SLR166-190	SLR
Box Plate B	GE	255	SLR1000-1279	SLR
Box Plate B	GE	60	SLR2000-2059	SLR
Box Plate C	GE	133	SLR200-333	SLR
Box Plate C	GE	32	SLR2060-2090	SLR
Box Plate F	GE	37	SLR3000-3036	SLR
Box Plate BorC	GE	32	SLR1900-1931	SLR
Box Plate F	GE	10	SLR2900-2909	SLR
Box Plate C	GE	5	SLR LNAC's	SLR
Tanks	GE	12	PTLX RTMX	SLR
Tanks	GE	1	PTLX RTMX	SLR
Log Flats	CK Industries	15	SLR52000-52014	SLR